



Parks, Recreation & Community Services

Staff Report June 6, 2017

Date: June 2, 2017
To: Recreation and Parks Commission
From: Andy Bass, Director of Parks, Recreation & Community Services
Subject: Discussion and possible approval of Amendment #2 to the Option Agreement between the City of Reno and Sierra Nevada Community Aquatics, Inc., for the development of the Moana Springs Aquatic Center (For Possible Action)

Summary: Sierra Nevada Community Aquatics (SNCA) is a Nevada nonprofit 501(c)(3) corporation. SNCA and the City of Reno entered into a three-year Option Agreement on July 18, 2012 to design, develop, operate, and maintain a multi-generational aquatics center on the City's behalf at the Moana Springs Recreation Complex (MSRC) site. The agreement was extended via amendment for two years through July 18, 2017. SNCA has requested a three-year extension to the Option Agreement term. The requested extension will aid SNCA in obtaining project financing. Staff recommends the Recreation and Parks Commission approve the three-year extension to the Option Agreement and recommendation of approval to the Reno City Council.

Discussion: SNCA, which formed in 2007 when the Moana Pool was closed, has worked for the past several years to develop funding for a new aquatic facility at the MSRC site. The City entered into a three-year Option Agreement with SNCA on July 18, 2012. SNCA has made the required \$1,000 payment on time for the duration of the contract. SNCA had until July 18, 2015 to exercise the option at which time the 30-year lease commences, contingent upon the organization meeting the terms of the Agreement. Council approved a two-year extension in October 2014. Continued extension of the Option Agreement will allow SNCA to further develop funding sources, continue to work with the City on the design, planning, and engineering and then execute the lease, once sufficient funding is secured.

SNCA has requested a three-year extension to the Option Agreement. The requested extension would increase the term of the Option Agreement until July 18, 2020, with \$1,000 each year to be paid by SNCA to the City, until the Option is exercised and the Lease Agreement commences.

Financial Implications: No implications with the proposed Extension of the Option Agreement.

Legal Implications: Legal review completed for compliance with City procedures and Nevada Law.

Recommendation: Staff recommends approval of the Amendment #2 to the Option Agreement between the City of Reno and Sierra Nevada Community Aquatics, Inc. for the development of the Moana Springs Aquatic Center, for an additional three-year extension of the Option Agreement.

Proposed Motion: I move to approve staff recommendation.

Attachments:

- SNCA Request Letter for Second Extension to Agreement
- SNCA Option Agreement - Amendment #1
- SNCA Request Letter for Option Agreement Extension
- SNCA Option Agreement - Moana Springs Recreation Complex Site
- SNCA Option Agreement - Amendment #2